

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION
3 IN THE MATTER OF:)
4 SNG COMMUNICATIONS, L.L.C.,)
5) No. 00 -0136
6 Application for a certificate)
7 of local and interexchange)
8 authority to operate as a)
9 reseller and facilities based)
10 carrier of telecommunications)
11 services throughout the)
12 State of Illinois.)
13 Chicago, Illinois
14 March 28, 2000
15 Met, pursuant to notice, at 11:00 a.m.
16 BEFORE:
17 MS. DEBORAH KING, Administrative Law Judge
18 APPEARANCES:
19 MS. DEBRA SCHMIDT,
20 6811 Kenilworth Avenue
21 Suite 302
22 Riverdale, MD 20737
 AND
 MR. SCOTT ASWEGE,
 1720 5th Avenue
 Moline, Illinois 61265
 appearing for SNG
 Communications, L.L.C.;

1 APPEARANCES CONT'D

2 ILLINOIS COMMERCE COMMISSION, by
3 MS. CINDY JACKSON and
4 MR. ROBERT KOCH,
5 527 East Capitol Avenue
6 Springfield, Illinois
7 appearing for the Staff of the Illinois
8 Commerce Commission.
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18 SULLIVAN REPORTING COMPANY, by
19 Kristin C. Brajkovich, CSR
20 License No. 084-003810
21
22

1 I N D E X
2 Re - Re - By
3 Witnesses: Direct Cross direct cross Examiner

4 DEBRA 5
5 SCHMIDT
6 MR. KOCH 7
7 MS. JACKSON 12
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10 E X H I B I T S
11 Number For Identification In Evidence
12 Applicant's 1 4 6
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1 (Whereupon, Applicant's
2 Exhibit No. 1 was
3 marked for identification
4 as of this date.)
5 JUDGE KING: Okay. Pursuant to the authority
6 of the Illinois Commerce Commission, I now call
7 Docket No. 00-0136. This is the application of
8 SNG Communications, L.L.C., for a certificate of
9 local and interexchange authority.
10 May I have the appearances for the
11 record, and if both of you again could give your
12 name and business addresses for the record.
13 MS. SCHMIDT: Okay. Debra Schmidt. You need
14 me to spell that?
15 JUDGE KING: No.
16 MS. SCHMIDT: And the address is 6811
17 Kenilworth, K-e-n-i-l-w-o-r-t-h, Avenue,
18 Suite 302, Riverdale, Maryland, 20737.
19 MR. ASWEGE: Scott Aswege, 1720 5th Avenue,
20 Moline, Illinois, 61265.
21 JUDGE KING: And I guess it is just
22 Mr. Aswege, you are going to testify -- are you

1 going to testify Ms. Schmidt?

2 MS. SCHMIDT: Yes, I am.

3 THE COURT: Then if both of you would raise

4 your right hands.

5 (Witnesses sworn.)

6 DEBRA SCHMIDT,

7 called as a witness herein, having been first duly

8 sworn, was examined and testified as follows:

9 EXAMINATION

10 BY

11 JUDGE KING:

12 Q All right. Now, I would -- I have

13 before me what has been marked and identified as

14 Applicant's Exhibit No. 1 which is the prefiled

15 testimony of Ms. Schmidt.

16 I would ask you, Ms. Schmidt, this

17 testimony which contains several pages of

18 questions and answers, was this prefiled testimony

19 compiled under your direction?

20 A Yes.

21 Q And if you were asked these same

22 questions here today, would your answers be the

1 same?

2 A They would be the same.

3 Q All right. And it is your intent to

4 have this testimony be admitted here today as your

5 prefiled direct -- well, I should say, as your

6 direct testimony?

7 A Yes.

8 JUDGE KING: Let the record reflect that

9 applicant's prefiled testimony will be admitted

10 here as Applicant's Exhibit No. 1.

11 (Whereupon, Applicant's

12 Exhibit No. 1 was

13 admitted into evidence.)

14 BY JUDGE KING:

15 Q And is there any further testimony that

16 you would like to present here today, Ms. Schmidt?

17 A No.

18 JUDGE KING: Mr. Aswege, is there testimony

19 that would you be presenting here today?

20 MR. ASWEGE: No.

21 JUDGE KING: Okay. Let me go off the record

22 for a moment.

1 (Discussion off the record.)

2 JUDGE KING: We will go back on the record.

3 If there is no objections to the
4 admission of Applicant's Exhibit No. 1, I will
5 hereby admit Applicant's Exhibit 1 into the
6 record, and I would tender the witnesses for
7 cross-examination.

8 And if the Staff members would give
9 their appearances prior to their
10 cross-examination, we can move forward.

11 MR. KOCH: Thank you, Ms. Examiner. This is
12 Robert Koch, K-o-c-h, Telecommunications Division,
13 Illinois Commerce Commission, 527 East Capitol,
14 Springfield, Illinois.

15 And I believe I will be addressing
16 Ms. Schmidt.

17 THE WITNESS: Okay.

18 CROSS-EXAMINATION

19 BY

20 MR. KOCH:

21 Q Ms. Schmidt, what circumstances warrant
22 a departure from the prescribed uniform system of

1 accounts?

2 A We asked for a waiver to adapt
3 accounting, make it more consistent with --

4 JUDGE KING: If you could speak up,
5 Ms. Schmidt.

6 THE WITNESS: We asked for a waiver of the
7 universal system of accounting for generally
8 accepted practices of accounting to make it more
9 consistent with what SNG Communications is doing
10 today and also to help them not to keep two sets
11 of books so that they can continue to use their
12 current practices in accounting.

13 BY MR. KOCH:

14 Q Okay. Will the applicant maintain its
15 records in sufficient detail to facilitate the
16 calculation of all applicable taxes?

17 A Yes.

18 Q How does the company plan to account for
19 interstate and intrastate revenues separately?

20 A They will keep them in separate
21 accounts, and we will be submitting a chart of
22 accounts that is under development right now. And

1 they will keep those revenues separate from each
2 other so that they can report accordingly.

3 Q Okay. When will you be able to provide
4 a chart of accounts to the Commission?

5 A Within five days. That would be five
6 working days.

7 Q Okay. If a waiver of Part 710 is
8 granted, will the applicant provide annual audited
9 financial statements -- excuse me -- I had it
10 written out, and it is worded incorrectly. Let me
11 try it again.

12 Is it your understanding that the
13 waiver of Part 710, that you will have to provide
14 audited financial statements on an annual basis to
15 the Commerce Commission?

16 A Yes, that is.

17 Q Okay. Word processors. I rely on them
18 too much, I am afraid.

19 Now, the next few questions have to
20 do with 911 services. Would you be the proper
21 person to talk to, Ms. Schmidt?

22 A Yes.

1 Q On these issues?

2 A Uh-huh.

3 Q Okay. Then I will go ahead and proceed

4 with you.

5 A Okay.

6 Q Will your company assure that 911

7 traffic is handled in accordance with 83 Illinois

8 Administrative Code, Part 725, in the Emergency

9 Telephone System Act?

10 A Yes, it will.

11 Q Will your company contact and establish

12 a working relationship with 911 systems when you

13 begin to provide local telephone service?

14 A Yes, it will.

15 Q Okay. Will your company coordinate with

16 the incumbent LECs and local 911 systems to

17 provide transparent service for your local

18 exchange customers?

19 A Yes.

20 Q Who will be responsible for building and

21 maintaining the 911 database for your local

22 exchange customers?

1 A The ultimate responsibility will rely
2 with Scott Aswege.

3 Q Okay. How often will your company
4 update the 911 database with customer information?

5 A I'm sorry.

6 Q How often will your company update the
7 911 database with customer information?

8 A They will update that as they obtain
9 each new customer.

10 Q Will that be on a daily basis, if
11 necessary?

12 A Yes.

13 Q Does your company's billing system have
14 the ability to distinguish facilities based and
15 resale for the collection of the 911 surcharge and
16 ITAC line charge?

17 A Yes, it will.

18 Q Does your company have procedures for
19 the transitioning of the 911 surcharge, collection
20 and disbursement to the local 911 system?

21 A Yes, we will.

22 Q Will your company's proposal require any

1 network changes to any of the 911 systems?

2 A No.

3 MR. KOCH: Okay. Those are the only

4 questions that I have right now.

5 MS. JACKSON: Ms. Schmidt, hi, Cindy Jackson.

6 THE WITNESS: Hi.

7 MS. JACKSON: First of all, I would like to

8 enter my appearance, Cindy Jackson, Consumer

9 Services Division, Illinois Commerce Commission,

10 527 East Capitol Avenue, Springfield, Illinois.

11 CROSS-EXAMINATION

12 BY

13 MS. JACKSON:

14 Q I just have a few questions regarding

15 your testimony.

16 A Okay.

17 Q Many places your answers, you just refer

18 to providing long distance service.

19 Is the company's intent to

20 initially provide long distance service and then

21 provide local service?

22 A That is correct. The company is going

1 to initially do long distance, and they will -- as
2 they plan their role out for CLECs, they will
3 transition to a facilities based CLEC operation.
4 But initial service will be only the long
5 distance.

6 Q Do you know how long -- approximate
7 dates before the company would provide local
8 exchange service?

9 A Probably the date is the fourth quarter
10 of 2000.

11 Q In your testimony on the first page of
12 standard questions and it is second question, you
13 requested a waiver of 735.180.

14 Why -- what is your reason for
15 requesting this waiver?

16 A The reason for that was the directory
17 part in 735. Whereas, we will not produce our own
18 directory. We will arrange for our directory to
19 be done with the ILEC.

20 Q And on the next -- the second page of
21 testimony, the top, the very top, the question
22 says, Who will provide customer repair service for

1 your company?

2 A Uh-huh.

3 Q Will you be contracting with the ILEC

4 for repair service or providing it yourself or

5 contracting with an independent vendor?

6 A Well, under resale, if we offer services

7 under resale, then we will be contracting with the

8 ILEC. As they transition to a facilities based,

9 SNG will have their own technicians and will have

10 their own technical staff to take trouble calls

11 and clear trouble calls.

12 Q When does SNG expect to receive its

13 authority to transact business in Illinois?

14 A I'm sorry. Could you repeat that?

15 Q When does SNG believe it will receive

16 its authority to transact business in Illinois?

17 A Are you still there?

18 Q Yes.

19 A I believe that we have that, and we

20 tried to fax that to you. Did you receive it?

21 Q I received it, but it is not the -- it

22 does not appear to be approved or processed

1 through the Secretary of State's Office.

2 A Okay.

3 Q It just looks like it has been

4 requested.

5 A Okay. The letter that I am looking at

6 is on the letterhead of Jesse White, and the first

7 sentence says, It is our pleasure to approve your

8 request to transact business in the State of

9 Illinois.

10 Are you looking for something

11 different?

12 Q The actual certificate.

13 A Okay. We will provide that to you then.

14 Q You need to provide that to the examiner

15 as a late filed exhibit.

16 A Okay.

17 JUDGE KING: Yes. If that could be faxed to

18 me.

19 MS. SCHMIDT: Okay. And what is your fax

20 number?

21 JUDGE KING: Area code 312-814-7289.

22 MS. SCHMIDT: Okay. We will do that.

1 JUDGE KING: And let me just reflect in the
2 record that this will be Applicant's Exhibit 2.
3 BY MS. JACKSON:
4 Q Okay. My last question, also attached
5 to your prefiled testimony, you have attached the
6 resumes of some employees of the company?
7 A Yes.
8 Q I notice that there is no one here that
9 really has actual telecommunications experience.
10 Could you explain to me how you will provide that
11 experience?
12 A Sure. SNG is in the process of hiring
13 someone to manage their long distance product that
14 they roll out, and their criteria is to hire
15 someone who has been in the long distance telecom
16 field. So they are going to be hiring that
17 experience as it is needed.
18 Q And when you become a facilities based
19 carrier, will you have someone with an engineering
20 background to be able to --
21 A Yes.
22 Q -- install and work with your equipment?

1 A Right. When they become facilities
2 based and they obtain a switch, they will need to
3 have switch management and switch technicians.
4 Q Okay. Thank you. That is all of my
5 questions.
6 A Okay.
7 JUDGE KING: Is there anything further now
8 that perhaps, Ms. Schmidt or Mr. Aswege would like
9 to add to their testimony?
10 MS. SCHMIDT: I don't believe so.
11 MR. ASWEGE: Not at this time.
12 JUDGE KING: Is there anything that Staff
13 would like to indicate at this time?
14 (No response.)
15 JUDGE KING: Hearing nothing further, I am
16 going to bring this matter to a close, and I will
17 ask that the record be marked heard and taken.
18 And I will thank everyone for their participation
19 here today.
20 HEARD AND TAKEN...
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